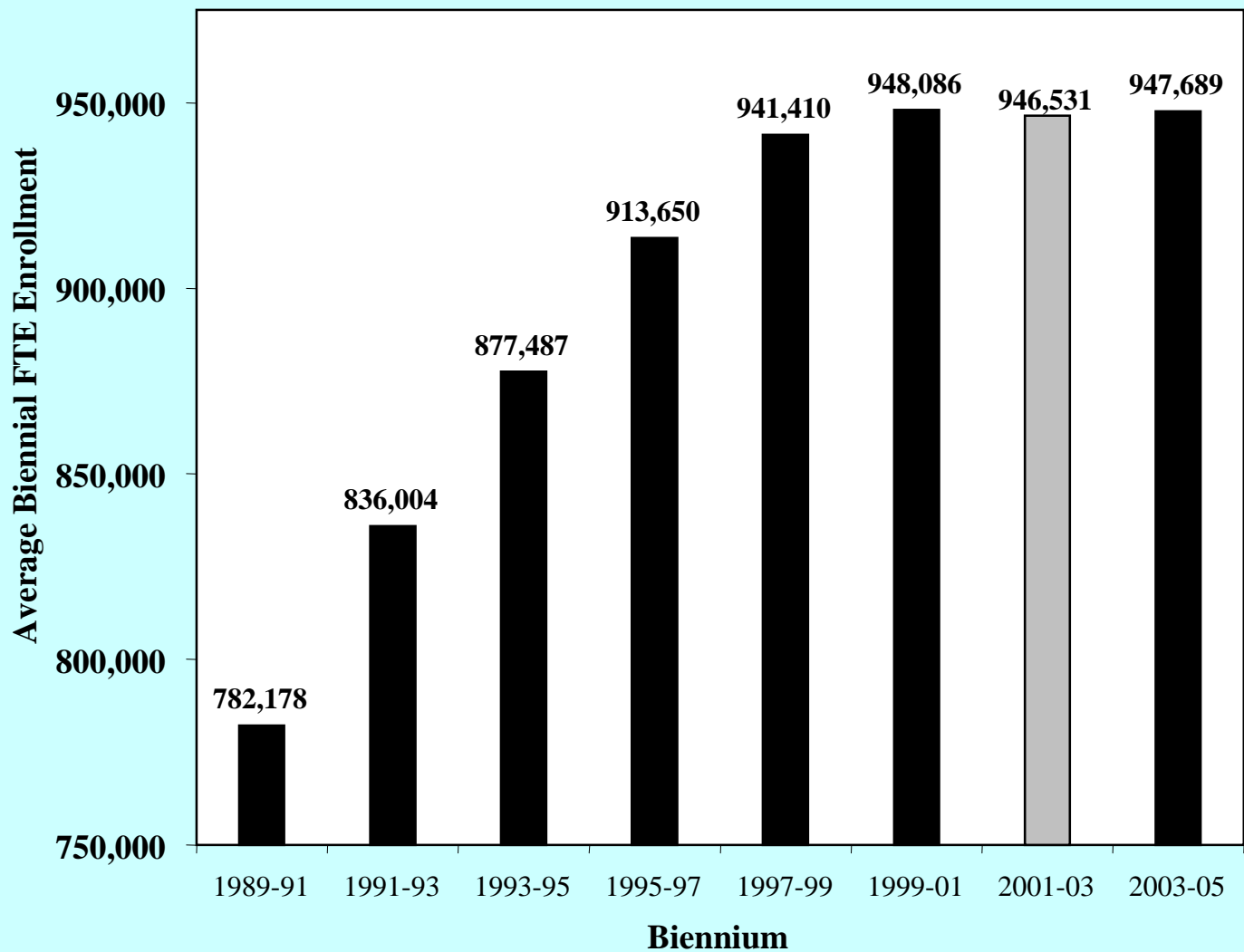


HOW DOES THE STATE PAY SCHOOL DISTRICTS?

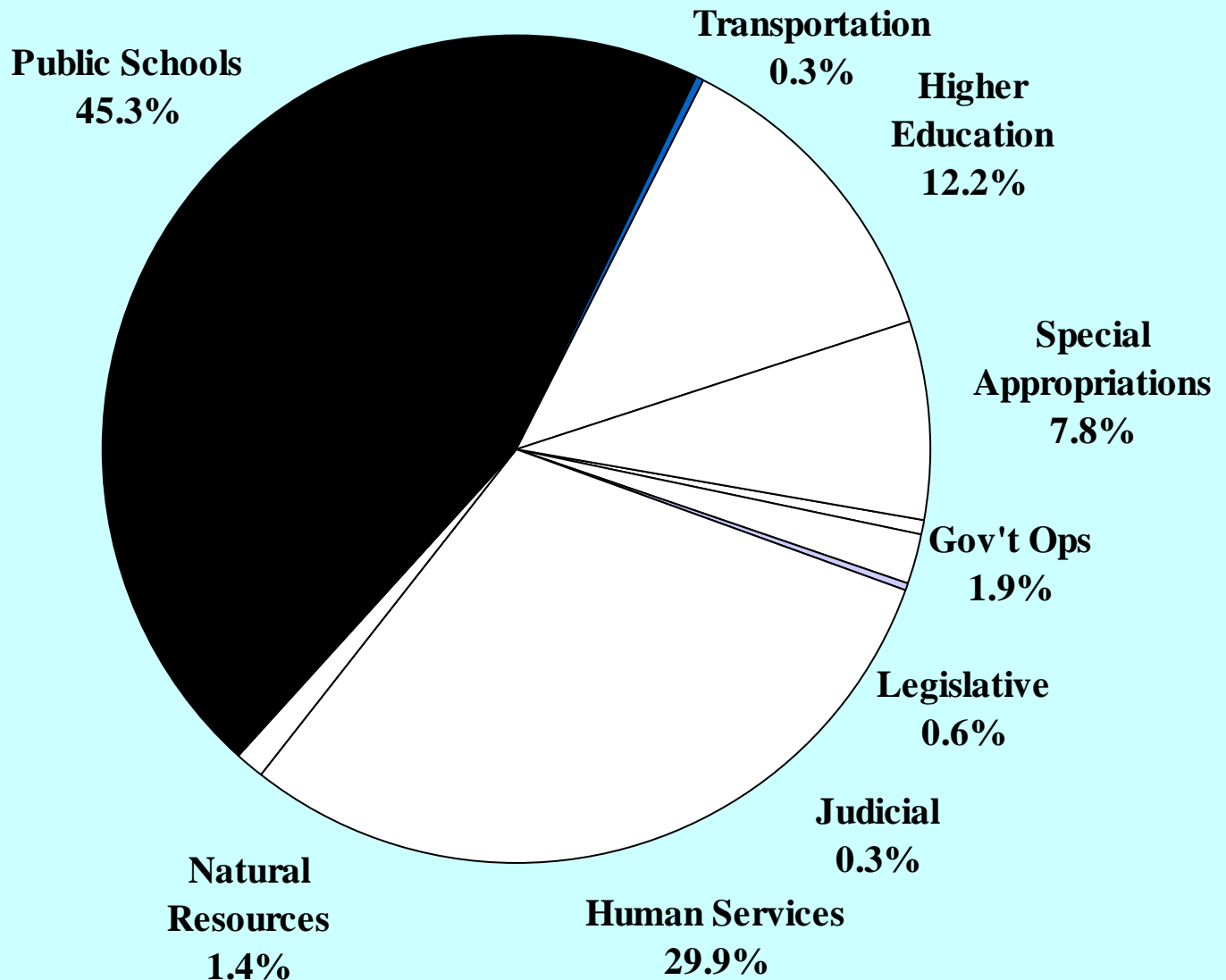


Senate Ways & Means Committee
January 25, 2001

The Main K-12 State Budget Driver is Enrollment

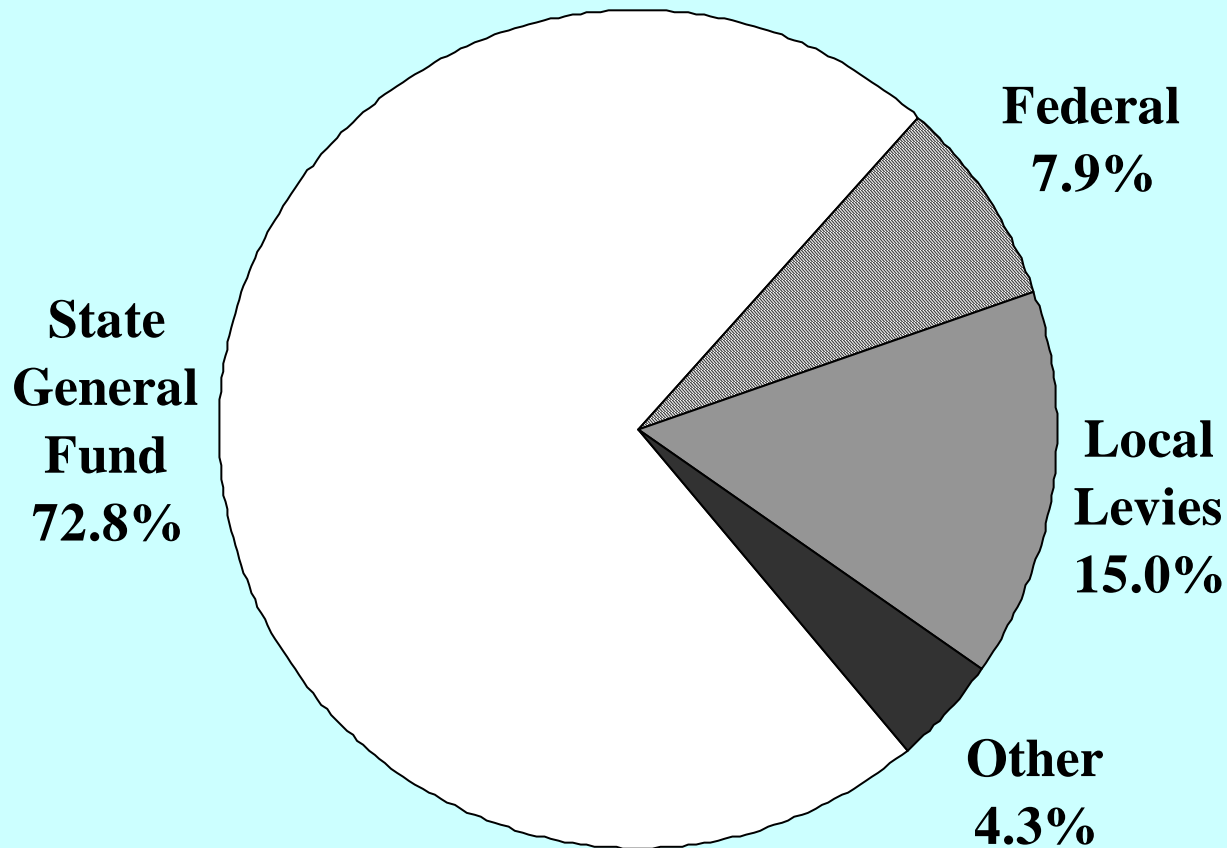


Public Schools Receive Over 45% of the State General Fund



1999-01 General Fund-State (\$000)		Percent
Legislative	\$117,683	0.6%
Gov't Ops	398,761	1.9%
Judicial	66,527	0.3%
Human Services	6,235,457	29.9%
Natural Resources	299,174	1.4%
Public Schools	9,442,945	45.3%
Transportation	52,823	0.3%
Higher Education	2,547,801	12.2%
Other Education	54,521	0.3%
Special Appropriations	1,634,494	7.8%
Statewide Total	\$20,850,186	100%

State Funds Provided Almost 73% Of School Operating Revenues Last School Year

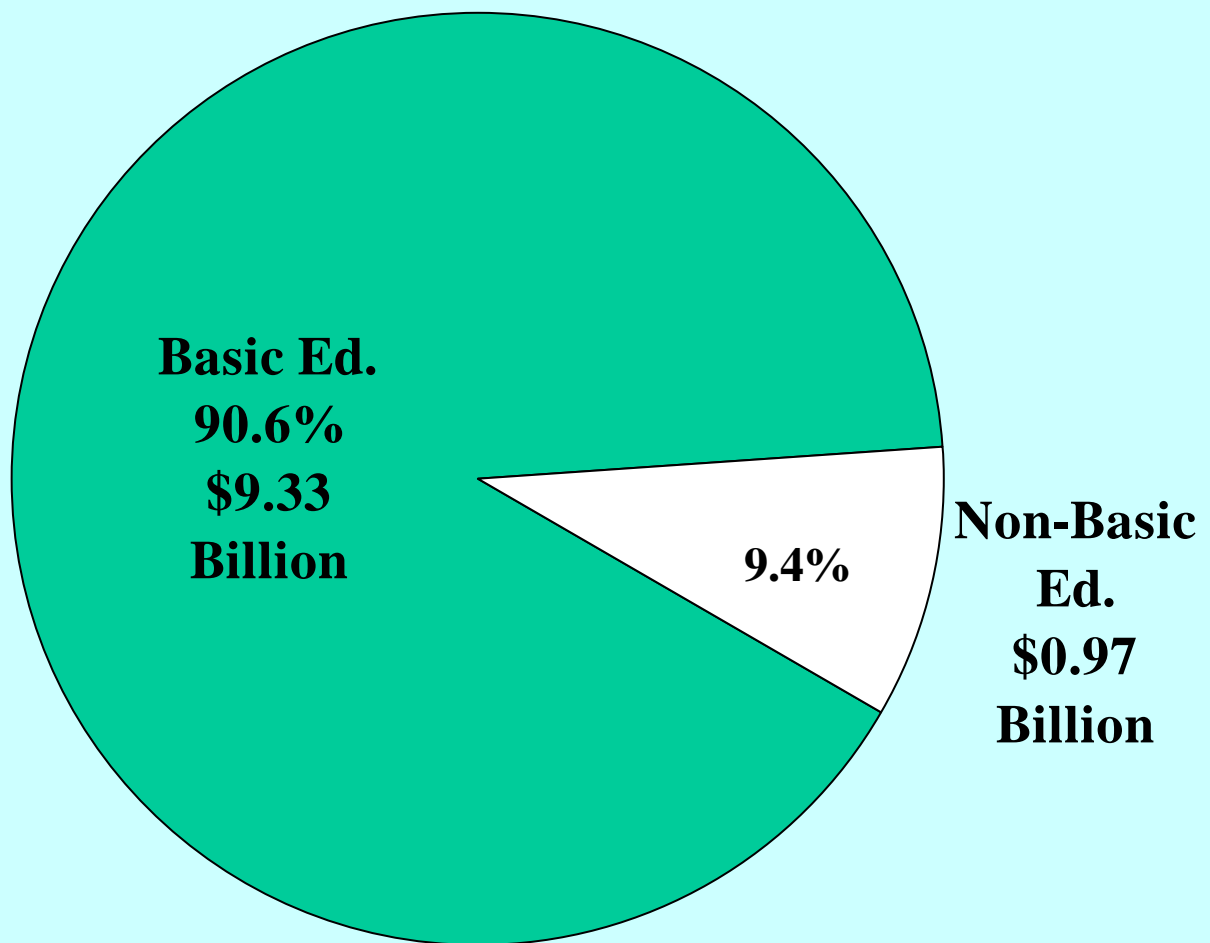


K-12 SOURCE OF FUNDS
1999-00 School Year

	<u>Amount</u>	<u>Percent</u>
State General Fund	\$4,676,476,856	72.8%
Federal	\$510,016,313	7.9%
Local Levies	\$964,437,462	15.0%
Other	\$277,052,213	4.3%
Total K-12 Operating Revenues	\$6,427,982,844	

Over 90 Percent of State K-12 Funds are in Basic Education Programs

2001-03 Governor Request (State Sources)



Six Basic Ed. Programs Account For More Than 90 Percent of State Funding for K-12

2001-03 K-12 GOVERNOR'S PROPOSED BUDGET BY PROGRAM State Dollars in Thousands

Basic Education Programs are Checked	2001-03 GOV. REQ.	PERCENT OF TOTAL
<input checked="" type="checkbox"/> GENERAL APPORTIONMENT	7,482,711	72.6%
<input checked="" type="checkbox"/> SPECIAL EDUCATION	827,827	8.0%
<input checked="" type="checkbox"/> TRANSPORTATION	385,447	3.7%
<input checked="" type="checkbox"/> LEARNING ASSIST. PROGRAM	139,981	1.4%
<input checked="" type="checkbox"/> BILINGUAL	89,163	0.9%
<input checked="" type="checkbox"/> INSTITUTIONS	38,519	0.4%
COST-OF-LIVING INCREASES (I-732) (About 98% basic ed)	301,759	2.9%
HEALTH BENEFIT INCREASES (About 98% basic ed.)	77,152	0.7%
STUDENT ACHIEVEMENT ACT (I-728)	392,900	3.8%
LEVY EQUALIZATION (LEA)	282,044	2.7%
EDUCATION REFORM	99,857	1.0%
STATE OFFICE & STATEWIDE PROGRAMS	\$82,767	0.8%
BLOCK GRANTS	54,632	0.5%
HIGHLY CAPABLE	12,830	0.1%
EDUCATIONAL SERVICE DISTRICTS	9,526	0.1%
BETTER SCHOOLS PROGRAM	9,338	0.1%
TRAFFIC SAFETY EDUCATION	9,214	0.1%
FOOD SERVICES	6,200	0.1%
TOTAL	\$10,301,867	100.0%

Some portion "Basic Education"	\$9,334,981	90.6%
Balance of programs: (Non-Basic Ed.)	\$966,886	9.4%

Note: A large portion of the bolded programs are within the legislature's current definition of basic education. However, there are a few components funded within several of these programs which are outside of the definition of basic education. The largest is the lower K-4 staffing ratio in apportionment, which amounts to \$180.1 million.

THE LARGEST BASIC EDUCATION PROGRAM HAS FIVE MAIN BUDGET DRIVERS

GENERAL APPORTIONMENT -- 2000-01 SCHOOL YEAR

K-12 FTE ENROLLMENT	947,876
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STAFFING RATIOS	Staff Per 1,000 Students	Students Per Staff
K-4 Certificated Instructional Staff	53.2	18.8
5-12 Certificated Instructional Staff	46	21.7
Certificated Administrative Staff	4.0	250
Classified Staff	16.67	60

NUMBER OF STAFF ALLOCATED

Certificated Instructional Staff Units	46,593
Certificated Administrative Units	3,826
Classified Staff Units	15,983

AVERAGE SALARY COSTS PER STAFF

Certificated Instructional Staff	\$42,609
Certificated Administrator	\$48,759
Classified	\$25,929

NON-SALARY COSTS (\$ for books, supplies, utilities, maintenance, etc.)

Regular Non-Employee Related Costs per Cert. Staff	\$8,239
Vocational NERC per Certificated Staff	\$20,232

SCHOOL YEAR TOTAL	\$3.79 Billion
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AVG. ALLOCATION PER STUDENT	\$4,006
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Selected Characteristics of Basic Education Programs 2000-2001 School Year

	<u>Funding Driver</u>	<u>Workload</u>	<u>Dollars per Student</u>
Apportionment	K-12 Enrollment	947,876 FTEs	Avg. \$4,006
Special Education	Age 0-2	1,959 pupils	Avg. \$4,400
	Age 3-21	113,830 pupils	Avg. \$3,562
Bilingual	Students with limited english proficiency	59,234 Students	\$711
Learning Assistance Program (LAP)	92% based on bottom quartile on state test, 8% on poverty factor, for grades K-11.	176,313 funding units	\$416 per LAP unit
Transportation (Operating)	Mainly students living beyond one mile from school	4.5 Million Miles	\$36.36 per mile
Institutions	Students in DSHS, Corrections, & County custody.	2,289 Students	Avg. \$8,720

The Statewide Program Contains 32 Subprograms

(Page One)

(General Fund-State \$ in 000s)

(Gov Proposed New Programs in Bold)		1999-01 <u>Budget</u>	2001-03 <u>Governor</u>	<u>Diff</u>
Allocations & Grants	Subtotal	11,325	9,500	(1,825)
Complex Needs		4,300	4,300	0
Truancy (ESSB 5439)		3,000	3,000	0
Alternative Ed Start-up Grants		2,000	0	(2,000)
Magnet Schools		1,600	1,600	0
E2SHB 1572 Civil Liberties Education		150	300	150
WW II Oral History Project		150	300	150
Speech Pathology Grants		75	0	(75)
Resource Analysis Grants/buss eff.		50	0	(50)
Health Services	Subtotal	5,539	5,242	(297)
Nursing Support		5,242	5,242	0
Oral Medications Training		297	0	(297)
Information Technology	Subtotal	18,033	13,629	(4,404)
K-20 Operations Subsidy		5,702	0	(5,702)
K-20 Support Svcs in K-12		4,000	4,000	0
Information Tech Workforce Trng		2,800	3,600	800
Teacher Institutes		2,000	0	(2,000)
Math Train. & Curricul. HB1569		1,500	0	(1,500)
NEVAC		1,100	0	(1,100)
Internet Curriculum		500	500	0
Filtering Servers		431	0	(431)
WAVES		0	2,000	2,000
LASER Science Program		0	1,729	1,729
Digital Portfolio		0	1,000	1,000
High Tech High Schools		0	800	800

Statewide Program Detail

(Page Two)

(General Fund-State \$ in 000s)

(Gov Proposed New Programs in Bold)		1999-01 <u>Budget</u>	2001-03 <u>Governor</u>	<u>Diff</u>
Miscellaneous	Subtotal	3,429	3,638	209
Pacific Science Center		2,524	2,524	0
Teen Aware		400	400	0
Keg Tax - Alcohol Awareness		300	300	0
Geographic Alliance		100	100	0
Cispus		63	63	0
Changing Dist Boundaries		42	0	(42)
Pest Management Grants		0	251	251
Safety/Security	Subtotal	19,572	19,818	246
School Security Grants		5,923	0	(5,923)
School Safety Allocation		5,649	17,044	11,395
EHB 2304 Alternative Schools and Safety		4,000	0	(4,000)
EHB 2304 School Security Grants		3,000	0	(3,000)
Safety Plans		1,000	0	(1,000)
School Safety Hotline		0	2,000	2,000
Anti-Bullying/Harassment Training		0	500	500
Safety Office		0	274	274
Standards	Subtotal	3,485	7,416	3,931
Educational Centers		2,854	2,854	0
Professional Standards Board		431	862	431
Voc Student Organizations		200	200	0
Alternative Routes to Certification		0	3,500	3,500
TOTAL STATEWIDE PROGRAMS		61,383	59,243	(2,140)

The Education Reform Program Currently Has 15 Subprograms

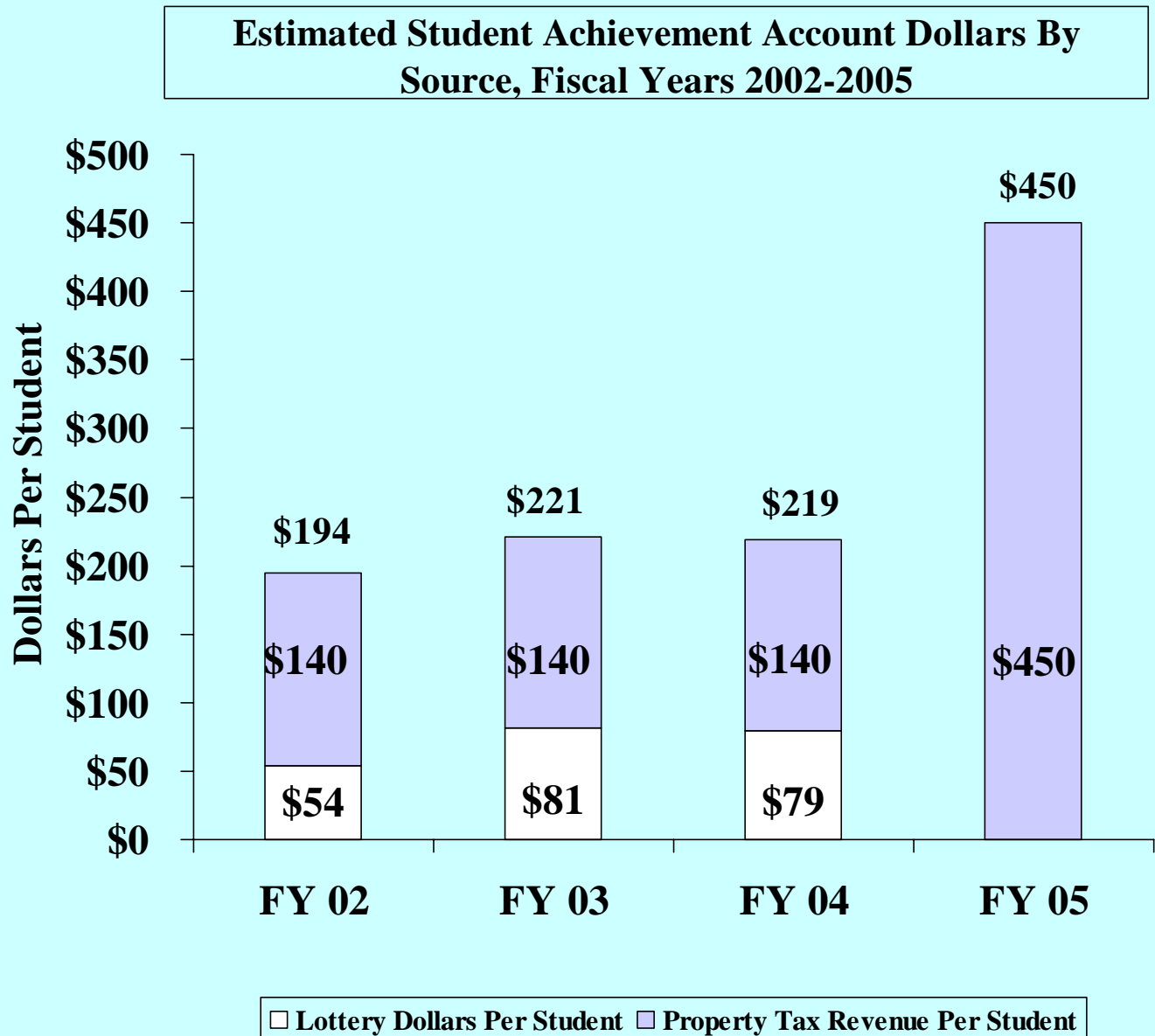
(General Fund-State \$ in 000s)

(New Gov Proposed Programs in Bold)	1999-01 Budget	2001-03 Governor Proposed	Bien Change
Assessment development (CSL)	20,595	26,699	6,104
Struggling Schools (Reading)	16,000	16,000	0
Readiness to Learn	7,200	7,200	0
Mentor\Beginning teacher assist.	6,818	6,890	72
Meals for Kids	5,000	5,000	0
Improve tech. infrastructure	4,050	4,050	0
Supt. / Principal internships	2,208	2,818	610
Paraprofessional training	2,190	2,190	0
Math Helping Corps	2,000	6,096	4,096
Center for Improv of Student Lrng	1,260	1,260	0
Summer Accountability Institutes	1,000	1,000	0
Comm. on Academic Achievement	590	644	54
Nat. Teacher Certification	392	2,218	1,826
Principal Assessment and Mentorships	125	1,250	1,125
Second Grade Reading Assessment	106	142	36
School Recognition	0	400	400
Focused Assistance to Schools	0	8,000	8,000
Performance School Districts	0	8,000	8,000
Biennium Total	69,534	99,857	30,323

Summary of Initiative I-728

- Requires the state to allocate to school districts: lottery funds; a portion of the state property tax; and excess emergency reserve funds.
- The funds are deposited into a newly created student achievement fund and the education construction account.
- The student achievement fund can be used for:
 - Smaller K-4 class sizes
 - Selected smaller 5-12 grade class sizes
 - Extended learning opportunities for students
 - Early childhood programs
 - Associated school buildings improvements.

Student Achievement Account Dollars Per Student Will Increase Substantially in Fiscal Year 2005



State Costs of Initiative 728 Will Increase

Estimated Allocation of Funds Under Initiative I-728 Dollars in Millions

	<u>2001-03</u>	<u>2003-05</u>
Student Achievement Account		
From Lottery	\$127.6	\$75.0
From Property Tax	\$265.3	\$558.6
From Excess Emergency Reserves	<u>?</u>	<u>?</u>
Subtotal	\$392.9	\$633.6
Education Construction Account		
From Lottery	\$76.7	\$125.0
TOTAL	\$469.6	\$758.6

Note: Estimates are based on November 2000 Revenue and K-12 Enrollment Forecasts.